

(i) The applicant's current expenditures are affected by unusual geographical factors; and

(ii) As a result, those current expenditures are not reasonably comparable to the current expenditures of its generally comparable LEAs.

(2) The LEA's application must include—

(i) A specific description of the unusual geographical factors on which the applicant is basing its request for compensation under this section and objective data demonstrating that the applicant is more severely affected by these factors than any other LEA in its State;

(ii) Objective data demonstrating the specific ways in which the unusual geographical factors affect the applicant's current expenditures so that they are not reasonably comparable to the current expenditures of its generally comparable LEAs;

(iii) Objective data demonstrating the specific ways in which the unusual geographical factors prevent the applicant from providing a level of education equivalent to that provided by its generally comparable LEAs; and

(iv) Any other information that the Secretary may require to make an eligibility determination under this section.

(Approved by the Office of Management and Budget under control number 1810-0036)

(Authority: 20 U.S.C. 7703(f))

§ 222.65 How may a State aid program affect a local educational agency's eligibility for assistance under section 8003(f)?

The Secretary determines that an LEA is not eligible for financial assistance under section 8003(f) if—

(a) The LEA is in a State that has an equalized program of State aid that meets the requirements of section 8009; and

(b) The State, in determining the LEA's eligibility for or amount of State aid, takes into consideration the LEA's payment under section 8003(f).

(Authority: 20 U.S.C. 7703(f))

§ 222.66 How does the Secretary determine whether a fiscally independent local educational agency is making a reasonable tax effort?

(a) To determine whether a fiscally independent LEA, as defined in § 222.2(c), is making a reasonable tax effort as required by § 222.63 or § 222.64, the Secretary compares the LEA's local real property tax rates for current expenditure purposes (referred to in this part as "tax rates"), as defined in § 222.2(c), with the tax rates of its generally comparable LEAs.

(b) For purposes of this section, the Secretary uses—

(1) Actual tax rates if all the real property in the LEA and its generally comparable LEAs is assessed at the same percentage of true value; or

(2) Tax rates computed under §§ 222.67–222.69.

(c) The Secretary determines that an LEA described in § 222.62(a) or (d) is making a reasonable tax effort if—

(1) The LEA's tax rate is equal to at least 95 percent of the average tax rate of its generally comparable LEAs;

(2) Each of the LEA's tax rates for each classification of real property is equal to at least 95 percent of each of the average tax rates of its generally comparable LEAs for the same classification of property;

(3) The LEA taxes all of its real property at the maximum rates allowed by the State, if those maximum rates apply uniformly to all LEAs in the State; or

(4) The LEA has no taxable real property.

(d) The Secretary determines that an LEA described in § 222.62(b) is making a reasonable tax effort if—

(1) The LEA's tax rate is equal to at least 125 percent of the average tax rate of its generally comparable LEAs;

(2) Each of the LEA's tax rates for each classification of real property is equal to at least 125 percent of each of the average tax rates of its generally comparable LEAs for the same classification of property;

(3) The LEA taxes all of its real property at the maximum rates allowed by the State, if those maximum rates apply uniformly to all LEAs in the State; or